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25X1A

1. DUTCH BITTER OVER US ATTITUDE ON INDONESIAN DISPUTE

25X1A Ambassador Matthews reported on 19 March that he had never seen the Dutch press so unanimously and bitterly resentful of any country as it is of the United States at the present time. Co-Foreign Minister Luns informed Matthews of his government's dismay at recent statements of American policy toward Indonesia, which, he said, had deeply shocked the entire country. Public feeling is so strong that the government may have to reappraise its NATO ties. 25X1A The Dutch are especially aroused by Washington's grant of economic aid to Indonesia, which they believe failed to consider the fact of Indonesia's unilateral abrogation of the Round Table Agreements concluded with The Hague in 1949 under UN auspices. Ambassador Matthews expects the recent American decision not to deliver additional tanks to the Netherlands to worsen relations. 25X1A

While Dutch officials have long been touchy on the US attitude toward their disputes with Indonesia, they are now equally disturbed by what they consider to be American failure to support other European allies in Cyprus, the Middle East, and North Africa.

In view of the lessening of Western European fear of war, anti-American sentiment may become an issue in the June 1956 Dutch national elections. While the Dutch are unlikely to move to sever ties with NATO, they may be more reluctant to support the United States on other issues such as Chinese UN representation and expanding economic relations with the Soviet bloc.

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2. USSR REPORTED OFFERING ETHIOPIA \$150,000,000 FOR ECONOMIC DEVELOPMENT

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	The Soviet Union has offered Ethiopia economic aid amounting to \$150,000,000,	
	includes funds for a large dam, possibly on the Blue Nile, or for hydroelectric and irrigation development in Eritrea, which	25X1 25X1
25X1A	is now federated with Ethiopia.	25X ²
	Comment This is the first report of such a Soviet offer. A Soviet approach at present would be well timed in view of Ethiopia's resentment over the large amount of foreign assistance offered Egypt for the Aswan High Dam.	
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05)//		
25X1	While Ethiopia would probably not accept outright such large-scale Soviet aid, the government could be expected to make use of such an offer in its relations with the West (Concurred in by ORR)	·

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25X1A

3. NEW LAOTIAN GOVERNMENT The new gover Souvanna Phou whelming apprenational assembroad coalition of the major politic

The new government in Laos under Souvanna Phouma, which won overwhelming approval of the 39-man national assembly on 21 March, is a

broad coalition of the major political groups in Laos and should prove stable. The new premier is strongly anti-Communist, but is considered a less forceful personality than former premier Katay.

The only assemblyman to vote in opposition was Bong Souvannouvong, who is sympathetic to the Pathet Lao and whose small party was excluded from the cabinet. Although he is not expected to pose a serious problem at the outset as an opposition leader, Bong's influence has been demonstrated by his leading role in blocking Katay's two attempts to form a cabinet.

There is strong pressure in the assembly for a quick solution to the Pathet Lao issue, and the new government will consider this problem its primary task. Judging from Souvanna's recent attitude and that of Crown Prince Savang, with whom he enjoys good working relations, the new government will probably continue its predecessor's tough policy--including guerrilla warfare--and insist on Pathet recognition of the royal government's authority over Phong Saly and Sam Neua Provinces as a prerequisite to the resumption of direct negotiations.

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4.	EDWARD OCHAB N	AMED	TO SUCCEED	BIERUT
	AS POLISH PARTY	FIRST	SECRETARY	

25X1A

The appointment of Edward Ochab as first secretary of the Polish United Workers (Communist) Party main-

tains the pattern of collective leadership that has heretofore operated in Poland. Ochab, like his predecessor Bierut, will share leadership of the party with politburo members Jakub Berman and Hilary Minc, who will continue as major sources of authority in the collective leadership.

Ochab, who is 49 years old, was active in the prewar Communist Party of Poland, having joined the party in 1929 and risen to the central committee by 1938. He spent the war years in the Soviet Union, and has been a member of the politburo since 1949 and the secretariat since 1950.

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BIWEEKLY SUMMARY 8-21 March 1956

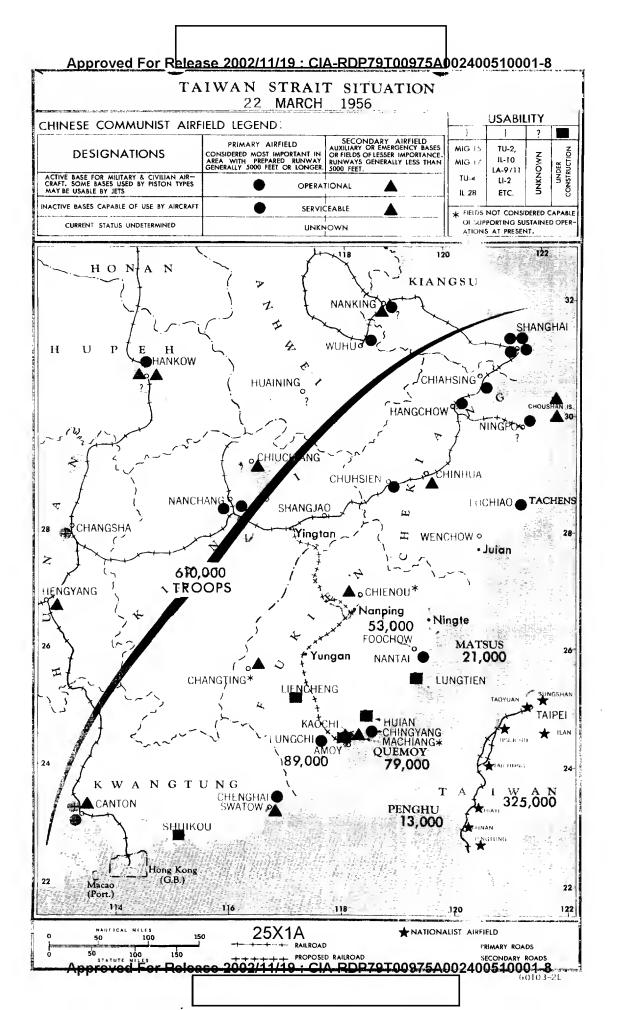
25X1A

THE TAIWAN STRAIT

Report of the IAC Current Intelligence Group for the Taiwan Strait Problem

1. There has been no significant naval, air or ground	25X1A
activity during the period.	25X1
4. There were few new developments in Peiping propaganda relating to the Taiwan Strait during the past two weeks.	
In its 11 March statement on the Geneva talks, Peiping's Foreign Ministry repeated the charge previously made on 4 March of US ''occupation'' of Taiwan and US ''interference in the liberation'' of the coastal islands.	25X1A]
5. In a conversation with the Netherlands charge in Peiping, an assistant to Chou En-lai declared that Communist China had deliberately fixed no time limit for US acceptance of the demands made in the 4 March statement. This declaration was apparently made with the intent that it be relayed to the US. The charge received the impression that the Chinese Communists were willing to continue the talks in Geneva.	,
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